

Energy Balancing Credit Committee Meeting By Teleconference 20 March 2009

Participants

Joint Office (Non voting)

John Bradley (JB) Chair

Shippers

Carl Wilkes (CW) (non voting) RWE

Ed McDonald (EMc) ScottishPower

Richard Fairholme (RF) E.ON UK

Simon Howe (SH) RWE

xoserve (Non Voting)

Mark Cockayne (MC)

Loraine O'Shaughnessy (LOS)

Apologies

Gavin Ferguson (GF) Centrica

Julie McNay (JM) Scottish and Southern Energy

Raihana Braimah (RB) Ofgem

1. Introduction

JB welcomed the members to the meeting, which was inquorate.

2. Minutes from the Previous Meeting

The minutes from the previous meeting held on 17 February 2009 were approved, subject to confirmation from the April meeting.

3. Actions Update

NB as this meeting was inquorate the actions could only be closed on a provisional basis subject to confirmation at the next quorate meeting.

EBC 11/03: xoserve (MC) to draft a Modification Proposal to address the identified exposure from Users who are traders at the NBP.

MC suggested that experience with UNC Proposal 0233, indicated that a Proposal of the type discussed previously may be difficult to draft. It was agreed that the Committee would discuss this further once a decision had been taken on 0233. **Carried Forward**

EBC 01/02: E.ON (RF) to report on developments from the BSC/UNC comparison working group.

RF updated the Committee that the comparison working group had concluded and suggested that there were no items that the Committee would want to take-up. This was accepted. **Provisionally Closed**

EBC 02/02: xoserve (MC) to circulate by email a final draft of the Energy Balancing Rules for EBCC members' approval. Members to respond by return.

The revised rules were approved by email notification. **Provisionally Closed**

EBC 03/02: xoserve (MC) to investigate the possibility of providing and/or publishing on its website a list of 'acceptable' financial institutions together with a percentage figure for headroom.

MC reported that confidentiality issues had been raised by legal services, which he was discussing further with them. **Carried Forward**

EBC 04/02: xoserve (MC) to revise the rules to include an obligation on Users to provide a minimum level of security.

MC reported that he had been in contact with David Trevallion (JM's alternate) on practice within comparable codes including the TSC where a minimum level of €30.000 was set. In looking through the current security levels, he had concluded that a fixed minimum level would only affect some very small shippers, and those who had effectively ceased operations but had not as yet applied for voluntary discontinuance. He therefore suggested that existing Energy Balancing Credit Rules should be retained without a fixed minimum level. This was agreed subject to confirmation. **Provisionally Closed**

EBC 05/02: xoserve (MC) to provide a revised Operational report to the Joint Office for publication.

MC reported that the information in the report was accurate so no revision was required. This was accepted. **Provisionally Closed**

EBC 06/02: Centrica (GF) to redraft the Proposal including the business rules as Suggested Text and produce a variation request.

Proposal 0233V, as varied, had been sent by the Modification Panel for consultation with a close-out of 27 March 2009. **Provisionally Closed**

4. **Operational Update**

MC provided the following Operational update:

The EBCC Pack was issued on 11 March 2009 and placed on the Joint Office website.

Cash Call Notices:

During February 2009, there were nine Cash Call Notices (CCN) issued. Six were paid on the due date, one was appealed and withdrawn. There were two Failure to Pay (FTP) Cash Call Notices, both of which were paid.

Further Security Requests:

Three Further Security Requests were issued during February 2009.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
January	100.00%	100.00%
February	99.70%	100.00%
Rolling 12 Months	98.80%	100.00%

5. **Modification Proposals**

JB advised that Proposal 0234 had been approved by Ofgem for implementation on 01 April 2009.

MC referred to the subscriptions that had been taken out with Moody's Financial Services and Standard and Poor's. A UNC Proposal would be required for this to be financed from Energy Balancing Neutrality. MC advised the Committee that the annual cost for the two subscriptions would be £26,000. No objection was raised. MC requested that a member sponsor this proposal.

6. **Any Other Business**

SH introduced CW and informed the Committee that he would be working on the nuclear side of the business for the next few months at least. He would

be retaining his membership of EBCC until the end of the current Gas Year but CW will be attending/phoning in as his alternate.

Committee members thanked him for his contribution and wished him well in his new role.

7. Next Meeting

The next meeting will be held on Friday 17 April 2009 at 14.30. This will be a teleconference.

Action Log – Energy Balancing Credit Committee: 20 March 2009

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 11/03	21/11/08	7	Draft a Modification Proposal to address the identified exposure from Users who are traders at the NBP.	xoserve (MC)	May be issues; to be discussed after decision taken on 0233. Carried Forward
EBC 01/02	06/02/09	3	Report on developments from the BSC/UNC comparison working group.	E.ON (RF)	Group concluded Provisionally Closed
EBC 02/02	06/02/09	5	xoserve to circulate by email a final draft of the Energy Balancing Rules for EBCC members' approval. Members to respond by return.	xoserve (MC) and Members	Rules approved Provisionally Closed
EBC 03/02	06/02/09	5	xoserve to investigate the possibility of providing and/or publishing on its website a list of 'acceptable' financial institutions together with a percentage figure for headroom.	xoserve (MC)	Discussions with legal services continuing. Carried Forward
EBC 04/02	06/02/09	5	Revise the rules to include an obligation on Users to provide a minimum level of security.	xoserve (MC)	Concluded that this would be of limited value. Provisionally Closed
EBC 05/02	17/02/09	2	Provide a revised Operational report to the Joint Office for publication.	xoserve (MC)	Report accurate; no revision made. Provisionally Closed
EBC 06/02	17/02/09	3	Redraft the Proposal including the business rules as Suggested Text and produce a	Centrica (GF) & National Grid NTS	Redrafted Proposal issued. Provisionally

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
			variation request.	(CT) & xoserve (MC)	Closed